

13 Mar 57

MEMORANDUM FOR: Dr. James R. Killian, Jr.

SUBJECT: Congressional Items

1. Personnel. The Director has requested an opportunity to brief Senate and House Armed Services Subcommittees on CIA on our personnel situation, with particular reference to the functions being performed by Headquarters staff. There seems to be an undercurrent of Congressional feeling that CIA has too many people in Washington. The Director believes that this is in large part a reflection of ignorance as to the wide variety of functions which the Agency is called upon to perform. The proposed briefing will stress functional aspects of the organization, with emphasis on those which require the most people.

2. Estimates. There have been several Congressional statements and press articles on the subject of intelligence estimates of Soviet air strength, and the effect that these estimates have had on Defense Budgets. Economy minded members of Congress are taking the line that estimates of Soviet heavy bomber strength, which were revised downward after Congress adjourned last year, were a principal factor in the \$900 million increase in the Air Force procurement budget at the close of the last Session. The inference is that the estimates were padded in order to secure additional funds. Others, who favor an expansion of domestic air power, are taking the line that the downward revision on the estimate of Soviet strength was in effect dictated by the economy minded policy makers in the Administration. An important side effect of this controversy is to cast doubt on the validity of national intelligence estimates in general. The Director is now considering ways and means of setting the record straight with appropriate members of Congress.

3. Middle East. A select committee of Foreign Relations and Armed Services, chaired by Senator Fulbright, is proceeding with an investigation of U. S. policy in the Middle East from 1946 to the

present, and has requested the State Department to provide a comprehensive chronology of events with supporting documents. It is almost inevitable that the quality of intelligence estimates, particularly in the recent past, will become an issue. Although the Director has briefed Armed Services and Appropriations Committees on the quality of our estimating in the October-November period last year, the debate and discussions on the Middle East Resolution have left several important members of Congress unclear as to whether or not the United States was taken totally by surprise by the Israeli/French/British action in Egypt.

4. Joint Committee. 16 Resolutions have been introduced in the House this Session for setting up a Joint Committee on Intelligence. None have been acted on as yet, and there has been no activity in the Senate. We understand that Senator Mansfield and his supporters are awaiting the outcome of House action before moving. These bills may remain bottled up in the Rules Committee, as they were last year. There is always a chance, however, that they will be reported out and that a Floor debate will ensue. Chairman Vinson of the Armed Services Committee wants to keep jurisdiction of CIA, and will resist all Joint Committee Resolutions, but he is somewhat concerned that this matter may come out into the open some time during this Session.

5. FY/58 Budget. CIA will soon appear before the House Appropriations Subcommittee on the FY/58 budget. This year we are requesting less new money than last year, although the operating budget is of some general magnitude. There was no cut in our budget request last year. We cannot be as sure this year, however, in the light of the present attitude of Congress and the wrangle between the House and Administration on possible cuts in the President's budget.

6. Legislation. CIA is again planning to propose Career legislation, particularly aimed at benefits for overseas personnel. A bill was introduced last Session, but was not acted on before adjournment. The House Armed Services Committee is presently reluctant to introduce new legislation, in the fear that it may stir up the type of difficulties mentioned in para. 4 above.

7. Miscellaneous. The Senate Internal Security Subcommittee is now investigating State Department intelligence performance in China. Although the present inquiry is directed at events back in the 1940s, it is possible that the Agency may become involved. There is some Congressional interest in the Edmundson case (ex-USA employee who has made critical statements of the Administration and stated that two of ten American prisoners in China are CIA spies). It is too early to see how this may come out. Charles Buckley, Alfred Kohlberg and others are attempting to exploit their allegations that GENIS is a tool of CIA. Their efforts are directed toward the Foreign Relations Committee, in the light of the contract for the Special Study on the Foreign Aid Program. The Committee staff has been briefed on the true facts of our relationship and has been given a statement that can be made public. This statement has been worked out jointly between ourselves and [ ] and Max Millikan is aware of the status.

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Lyman B. Kirkpatrick

IG:LC:NSPaul/fm/blc (14 Mar. 57)

Orig. & 1 - Add.

1 - IG

2 - Legis. Counsel